

International trade and consumers

A recent **General Accounting Office (GAO)** report reviewed the process of choosing private sector advisors to US delegations to international commodity agreement negotiations. The review included the choice of consumers as well as the traditional industry advisors to the delegations. GAO limited its review to the US delegations recently involved in negotiations for agreements on cocoa, coffee, sugar and wheat.

The report points out that there has been an absence of consumer advisors on such delegations, and not until 1977 were consumer advisors included in any delegations. At that time, Lee Richardson, then president of **Consumer Federation of America** and now Acting Director of the **Office of Consumer Affairs**, was accredited to the delegation for the summer negotiations on the sugar agreement. (Other consumer delegates were a Puerto Rico Consumer Commission representative and the **State Dept.'s** Consumer Affairs Coordinator.)

Based on its findings, GAO recommends that "international commodity conferences be balanced between consumer and industry sectors . . ."

Copies of GAO's report, *Role of the Private Sector in International Commodity Negotiations Needs Revision*, may be obtained for \$1.00 by writing to US General Accounting Office, Distribution Section, P.O. Box 1020, Washington, DC 20013. Make checks or money orders payable to US General Accounting Office, and identify report as ID-78-30.

S-p-r-e-a-d-i-n-g the word

The **National Conference on Citizen Participation** will be held from Sept. 28 through Oct. 1 at the Shoreham Americana Hotel in Washington, DC. The conference, which is sponsored by the Lincoln Filene Center for Citizenship and Public Affairs of Tufts University (along with other co-sponsors), will provide an opportunity for citizen leaders, government officials and scholars to explore the whole area of citizen participation. It costs \$145 plus hotel accommodations. A modest fund has been established to defray some of the costs of a few participants who might otherwise not be able to attend the conference. To register—and for more information—write or call Stuart Langton of the Lincoln Filene Center, Tufts University, Medford, MA; telephone 617-628-5000, ext. 352.

consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE
Office of Consumer Affairs

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Consumer Price Index

There are now 2 official Consumer Price Indexes (CPIs) published by **Labor Dept.'s Bureau of Labor Statistics (BLS)**—CPI-U and CPI-W.

CPI-U, the All-Urban Household Index, includes items which reflect the buying habits of about 80% of the total population. Self-employed, professional, white collar and other salaried workers are covered by this index.

CPI-W covers urban wage earners and clerical workers. It is a revised version of the former single CPI and will continue to be used in labor negotiations. The items included in the CPI-W survey make it relevant to a smaller percentage of the population than CPI-U.

Since the market basket of goods and services included in either index must by necessity reflect "average" buying patterns, neither index is necessarily accurate for any given household. However, the CPI is the best official measure of inflation available.

Citibank of New York has published a useful guide for "individualizing" the CPI in the June 1978 issue of its newsletter *Consumer Views*. Using your own buying patterns and data available from BLS you can calculate your own CPI. For a free copy of the newsletter write to Citibank, Public Affairs Office, 18th Floor, 399 Park Ave., New York, NY 10043.

CONSUMER NEWS has also learned that Citibank's July issue of *Consumer Views* explains how to use the CPI to determine your net worth, including real profit (from selling a house, for example). Free single copies of the July issue may also be ordered from the address listed above.

Now it's generic groceries

If the current market trend continues, grocery store customers will not only have national brands and house brands to choose from, but a third category, "generic" or "no-frill" products. This latter type differs from the first 2 in that the product is packaged in plain paper, with no brand name printed on the label. (Of course, Federal law requires ingredient labeling, net weight, and name and address of the food packer.)

In discussing no-frill products as another tool for combatting high grocery bills, Esther Peterson, Special Assistant to the President for Consumer Affairs, said, "They have few hidden costs, are almost always cheaper and the food items are usually nutritionally equivalent" to brand name products. She warned, however, that consumers might become confused by the term "generic" or "no-frill" in the grocery-buying sense—they should realize they may not be getting the same quality as branded items. No-frill products are lower grade items. The paper products are lighter in weight, and they are not perfumed. Soaps and water softeners are not as strong as the leading brands. And the "no-brand" vegetables are standard rather than fancy grades. This means the vegetable pieces are uneven in size and shape, and the color and texture may vary.

Consumers should understand that the lower prices are not just a result of the plain packaging, but are also a result of the lower initial cost of the product and virtually non-existent advertising.

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Gas rationing hearings

Following are public hearing dates on the gasoline rationing plan summarized in this CONSUMER REGISTER. All hearings start at 9:30 am.

July 25-26
L.A. Dept. of Water and Power
Auditorium
111 N. Hope St.
Los Angeles, CA 90051

July 27-28
P.O. Bldg., 3rd Floor Courtroom
306 W. 904 Riverside
Spokane, WA 99210

Aug. 1-2
Science Auditorium
Hartford College for Women
1265 Asylum Ave.
Hartford CT 06105

Aug. 3-4
Federal Office Bldg.
601 E. 12th St., Rm. 140
Kansas City, MO 64106

Aug 8-9
Federal Bldg., Courtroom 13
231 W. Lafayette
Detroit, MI 48226

Aug. 10-11
Main Post Office Bldg.
Rm. 269, 18th and Stout Sts.
Denver, CO 80268

Aug 15-16
Atlanta Civic Center
Rm. 201
395 Piedmont Ave., NE
Atlanta, GA 30308

Aug. 17-18
Energy Dept. Training Rm. 250
2626 W. Mockingbird Lane
Dallas, TX 75235

Aug. 22-23
Energy Dept., Rm. 3000 A
12th and Pennsylvania Ave., NW
Washington, DC 20461

More on refuse bins

Consumer Product Safety Commission (CPSC) reports that inspectors from more than 40 states have begun looking for approximately 750,000 dangerous refuse bins. A ban on all unstable, slant-sided metal refuse bins with an internal capacity of one cubic yard or more became effective June 13, with a strict enforcement date of Aug. 14.

The bins, usually found around parks, stores and apartment buildings, can easily topple and severely injure or kill children playing on or around them.

Since 1971, CPSC has records of 47 injuries and deaths from crushed skulls and chests associated with the bins. A number of the accidents involved small children. [See CONSUMER REGISTER Feb. 1 and July 1, 1977.]

Generic groceries (Continued from page 1)

This type of product was first introduced in France 2 years ago by the Carrefour market chain where it was called "produits libres," products free of advertising—after the initial announcement of the product line.

In the US, Jewel Food Stores of Chicago started selling unbranded products 18 months ago. After noting consumer acceptance of the idea, 20 or 30 other supermarket chains across the country began selling such products. Now A&P, the nation's second largest food chain, has introduced a line of these products that costs about 30% less than nationally advertised brands and 15% to 19% less than the chain's better quality house brands.

At CONSUMER NEWS' presstime, an A&P official reported that "Consumer response to the unbranded items has far exceeded our expectations . . . and we are giving serious thought to offering consumers a wider variety of such products." (Initially, only 15 to 30 no-brand items are placed in the stores. Typical no-brand products are bleach, fabric softener, liquid and powered detergent, baby shampoo, apple juice concentrate, tomato juice, raspberry and strawberry jams, white vinegar, powdered skim milk, coffee, tea, garbage bags, and bathroom tissue.

CONSUMER NEWS has compared generic items with house and national brands in an A&P food store in the Washington, DC area. From this comparison, the following table was compiled:

ITEM	UNBRANDED	HOUSE BRAND	NATIONAL BRAND
Dog food (25 lb.)	\$3.89	\$5.49	\$6.00 (Gravy Train)
Bleach (gal.)	.69	.85	.99 (Clorox)
Fabric softener (64 oz.)	.59	.69	2.13 (Downey)
Liquid dish soap (32 oz.)	.59	.69	1.59 (Ivory)
Cut green beans (15½ oz.)	.31	.39½	.47½ (16 oz.) (Del Monte)
Creamed corn (16½ oz.)	.28	.37½	.39½ (17 oz.) (Del Monte)
Macaroni and cheese (7½ oz.)	.27	.30	.39½ (Kraft)
Laundry detergent (49 oz.)	1.19	1.39	1.83 (Tide)

Some people think the no-brand idea is a gimmick that will die before long. But retailers are adding more generic products to their shelves—and more grocery chains are introducing their versions of no frills products.

Doctor bills

A recent study on the cost of doctors' services prepared by the President's Council on Wage and Price Stability (CWPS) shows that in fiscal year 1977 physician fees rose 9.3%—50% more than other consumer prices. Furthermore, the study shows that physician fees since 1950 have consistently outpaced the rate of inflation.

The report states that in FY 1950 consumers paid \$2.7 billion for physician services. The FY 1978 figures show that consumers will have paid an estimated \$35 billion, or a 13-fold increase in 28 years. Of this increase, 60% can be directly attributed to higher doctor fees, while the other 40% was attributed to population growth and an increase in the quantity of physician services. Of the total health care bill, 19% was spent on doctor services alone.

Data from 1976 show that the median income of self-employed physicians was \$63,000 or approximately double the median income of lawyers or dentists of that same year. Broken down by specialty, radiologists and pathologists are the highest earning physicians. Ranked, income-wise, below these 2 groups are obstetricians, gynecologists, surgeons and anes-

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Doctor bills (Continued from page 2)

thesiologists, while those with the lowest earnings are psychiatrists, general practitioners and pediatricians. The report states, "It is of interest to note that those specialties with higher earnings receive most of their revenue through insurance, while those with lower earnings receive most of their revenue directly from patients."

A geographic look at the range of incomes shows that for 1976 the median earnings for the doctors in the Northeast were \$58,060, in the Midwest \$63,500, in the South \$65,590 and in the West \$62,360.

The report lists and discusses a number of items that have been or are contributing to rising physician fees. One such item is the lack of competition in the medical profession. There is considerable evidence that for much of this century, organized medicine has restricted entry into the medical profession, primarily through its control of state licensing processes and the system of medical education. In the typical market, a decrease in supply, with other factors remaining unchanged, generally results in higher prices charged for a product or service. However, a CWPS spokesman notes that lack of competition is not the problem it used to be.

As a further block to competition, the report notes, organized medicine has a well-documented history of opposing physician advertising, price competition among physicians, and alternatives to the fee-for-service system of medical care.

There has been some opposition by organized medicine to prepaid group practice, now commonly called **Health Maintenance Organizations (HMOs)**, but CWPS says this form of prepaid medical care appears to be a more efficient and less costly alternative to the dominant fee-for-service system.

The area of rising costs or expenses to the doctor cannot be ignored as a contributing factor to increasing doctor fees, the report finds. It has been estimated that 36-37% of a doctor's income goes directly for expenses. Such expenses include nursing, secretarial and clerical salaries, office rent, equipment and supplies. Many claim that the soaring cost of malpractice insurance has caused much of the increase in physician fees. However, the CWPS report states that if malpractice insurance costs rose 50% in 1976, "physicians' fees would have had to increase by only one percent to cover the additional costs attributable to higher malpractice insurance premiums." Again, from the report, "In early 1977, the **American Medical Association (AMA)** reported that 60% of surveyed physicians stated they increased their fees during the past year because of higher malpractice premiums. Of those increasing their fees, 30% claimed they raised fees from 11% to 20% and 23% raised fees by more than 20%."

Another result of malpractice suits the report identifies is increasing use of "defensive medicine." An AMA survey indicates that 76% of all physicians are ordering extra tests and procedures as protection against malpractice claims.

The report summarizes 6 categories of contributors to rising physician fees: (1) rising consumer income; (2) anticompetitive practices of organized medicine; (3) growth in the coverage and comprehensiveness of health insurance; (4) implementation of government-sponsored health insurance programs for the poor and the elderly; (5) changes to more generous insurance payment approaches for physicians' services; and (6) changes in the physician specialty distribution.

What can consumers expect in the future? The report states, "Recent Consumer Price Index data show little evidence of moderation in physician fee inflation. Over the 6-month period ending in December 1977, physician fees increased at an annual rate of 7.7%, or 67% more rapidly than nonmedical care prices . . . there is little reason to predict that physician fee inflation will not continue to substantially outpace price increases in the overall economy."

Recalls

• **FRYERS**—Consumer Product Safety Commission (CPSC), along with American Electric Corp., Culver City, CA, have announced the recall of approximately 260,000 mini electric deep fryers. Two different styles of the corporation's model 7000 "Great American Frying Machine" may pose an electric shock hazard.

The company will replace, free of charge, its model which has 2 white plastic carrying handles and stands on 3 black plastic legs. It is encased in a 2-tone metal housing with a black top half and a gold bottom half. This style could have been purchased from January 1977 to April 1977.

The company will refit with additional electrical insulation a second model, similar to the first, except it has a black plastic circular base and a single bucket-type plastic handle. Consumers owning either of the 2 types should not use the fryers but should return them to American Electric Corp., 9937 W. Jefferson Blvd., Culver City, CA 90230, Attention: Consumer Relations Dept. Consumers wanting a refund for either style must send the unit to the American Electric Corp., at above address with proof of purchase indicating the price. Consumers will be reimbursed for postage costs. To verify the model number, contact CPSC's toll-free hotline at 800-638-2666; Maryland residents only, call 800-492-2937.

Both styles were sold nationwide and retailed for about \$14.95. This recall does not apply to model 7000A fryers.

• **CARS**—A possible safety related recall of approximately 2,073,000 vehicles may be issued by the **National Highway Traffic Safety Administration (NHTSA)** after investigations involving Ford Motor Co. and Fiat automobiles are completed. The investigations, conducted by NHTSA, involve 1975-1976 Ford Granadas and Mercury Monarchs equipped with V8 engines; 1973-1975 Ford Pintos, Mustang IIs, Mercury Bobcats and 1973-1977 Fiat 128 and X-1/9 vehicles.

The Granada/Monarch investigation is on an alleged fuel leakage problem in the fuel line which may result in engine compartment fires. The Pintos and Mustangs are being investigated on a possible steering mechanism problem which may permit the steering wheel to rotate freely without turning the wheels of the vehicle. The Fiat investigation centers around a front wheel bearing failure which can result in loss of vehicle control due to wheel looseness, lockup, or separation.

Consumers experiencing problems should write or call National Highway Traffic Safety Administration, Washington, DC 20590; toll-free hotline, 800-424-9393. Washington DC area call 426-0123.

Firestone 500 Steel Belted Radial tire defects

Since National Highway Traffic Safety Administration (NHTSA) has now made an initial determination that a safety defect exists in the Firestone 500 Steel Belted Radial tires (and identical tires made by Firestone Tire and Rubber Co. under the brand names "Grappler Radial" 8000 series sold by Montgomery Ward Co. and "Super Shell Steel Radial" sold by Shell Oil Co. dealers), it has recommended that Firestone issue a recall of all such tires still on the road. (NHTSA says its investigation "has clearly established that these tires have failed in significant numbers . . . characterized by blow-outs, tread separations and other failures which have resulted in deaths, injuries and property damage accidents.")

At the same time, NHTSA announced a public hearing on Aug. 7 at 10 a.m. in Room 2230, Nassif Bldg., 400 7th St., SW, Washington, DC. At that time Firestone and consumers (along with other interested persons) may present testimony and other data relating to the defect finding. After analyzing the information obtained at the hearing, NHTSA will make a final determination. If the final decision upholds the initial safety defect finding, NHTSA can order Firestone to conduct a recall of the tires.

Consumers who are having problems with the tires described above should call NHTSA's toll-free hotline at 800-424-9393; Washington, DC metropolitan area residents call 426-0123.

Federal publications

A Guide to Instructional Resources for Consumers' Education, issued by Office of Education's Office of Consumers' Education, lists teaching and background materials primarily for teachers of consumer education, but individuals involved in community consumer activities should also find it helpful. Single, free copies may be obtained from Materials Request Desk, Office of Consumers' Education, Office of Education, Washington, DC 20202.

Transportation Dept.'s Common Sense in Buying a New Car provides tips on how—and how not—to buy a new car, and where to take complaints after buying a car. Single copies are free from Consumer Information Center, Pueblo, CO 81009. For bulk copies (up to 50) write to Transportation Dept., NAD-42, Washington, DC 20590.

Common Sense in Buying a Used Car is a 10-page checklist for pre-purchase inspection. Pamphlet also discusses the odometer law and used car warranties. Single free copies are available from the Consumer Information Center, Dept. 503F, Pueblo, CO 81009.

Truth in Leasing tells how the Consumer Leasing Act affects consumers by requiring that all leasing companies spell out the facts about the costs and terms of their leases. The booklet also discusses leases covered and not covered by the Act. The law applies to any personal property leased for more than 4 months. Not included under the law are car rentals, month-to-month rentals you can cancel at the end of the month without penalty, property leased for public use or leases for houses or apartments. The publication discusses written cost information consumers must be given, including advance fees (such as security deposits), the number, amount and dates of regular payments and any other fee that must be paid for licenses, registration, taxes and even maintenance costs. For a free copy of *Truth in Leasing* send a postcard to Consumer Information Center, Dept. 688F, Pueblo, CO 81009.

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